97-84032-25

Gatzen, Wilhelm Albert

World's winding-up plan

Bonn

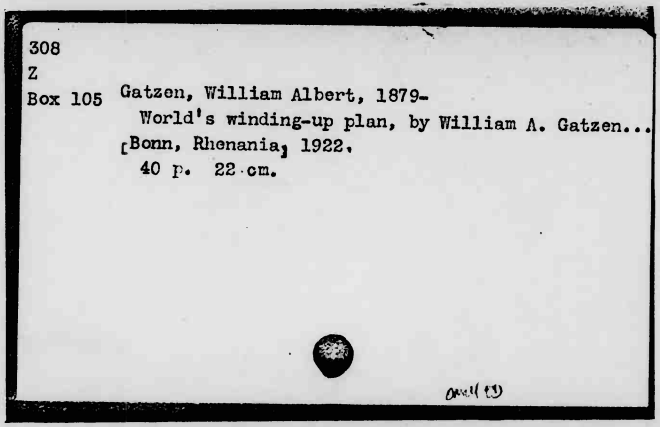
1922

97-84032-25
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD



RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35 mm REDUCTION RATIO: 10:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 2-28-97 INITIALS: MS

TRACKING # : MSH 22294

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

Through the President's Office

308
Z
Box 105

World's Winding-up Plan

World's Winding-up Plan

World's Winding-up Plan

by

William A. Gatzen
Counsellor in the Sociological Technicology of Money

1922.

Copyright 1922 by William A. Gatzen.

Summary:

I. Personal.

Reviewing what I have had the honour to set forth in regard to World's Clearing — The Winding-up — Solution of the World's Problem

1) in the Memoir "Something wrong! What is it?" posted to the entire world February 1922,
2) in the Memoir "The Solution of the World's Problem", which was sent in three copies, with circular letter, in the beginning of May 1922 to all Genoa Delegations, while His Excellency the President of the Genoa Conference, the Italian Prime Minister, Mr. de Facta and The Honourable, the British Prime Minister, Mr. Lloyd George, the virtual Author of the Genoa Conference, have been duly notified of this sending by letter with the same mail,
3) in Previous Memoirs,
4) in the Correspondence which I had the honour to exchange with several of the high personages named on pages 38/39.

I have used this Whitsuntide to work out the results of that special scientific investigation "To explain and to abolish the World's Crisis of Our Time" into this present.

Concrete Business Plan to Wind-up Things.

II. Systematic.

Whereas the sciences: Economics, Finances and Politics, represented at the Genoa Conference, did not succeed in finding a solution, the view of the writer certainly has grown in importance: That the World's Problem is no economical, financial or political problem at all, but a sociological problem in general, and particulary a bookkeeping and a money-technical (gauging) problem!

Now, if the present "World's-Winding-up Plan", which is a sociological plan, proves, obviously, to be

a solving and effective one, we might go one step farther and say: The correctness of the view of the writer has found a scientific proof, which is a mathematical proof.

As far as can be judged from the standpoint of the scientific specialism, which the writer might claim to have acquired in 3½ years of special investigation in scientific research, it has to be doubted, whether any other sensible, business-like solution of the world's problem can be thought to exist.

In Mathematics we sometimes have equations which allow several completely different correct solutions. The World's Problem, however, seems to be a sociological equation or puzzle, where one solution only, fulfils the conditions given.

III. Material.

The Genoa Conference is a thing of the past; the Paris Conference belongs to the present; and the Hague Conference is to take place in the future.

Concerning the present, I most emphatically beg to point out the fact, that it would not affect the problem, when instead of Peter, i. e. France and its European friends, Paul i. e. America, would become Creditor. For the pressure on the Mid-European Consuming-power would remain; and as long as this pressure exists, (and the pressure of universal indebtedness in general, under which France especially is suffering,) the French Factories, the English Plantations and the American Cotton-fields evidently lose their sociological sense and have to be reduced.

The universal indebtedness is evidently one of the main Causes of the general unemployment, which general unemployment, being an Effect, can — only — be removed by removing the Cause.

In order to remove this cause of the present world's crisis, namely the universal indebtedness, this universal indebtedness must be abolished! Therto, first of all, a clearing of the state debts, including the war-debts, is necessary.

Besides a clearing of the indebtedness, a remission of debts, i. e. a "cleaning of the table", comes into consideration. This remission of debts is a canceling of the Clearing balances! A simple remission of debts, however, cannot be advocated; for it would hurt more than it would help, and in no case would it restore order.

The basis for the world's clearing, advocated by Mr. Harding, and for the cleaning of the table, suggested by Mr. Lloyd George, can only be and is: The drawing-up of a

winding-up state balance sheet in every country.!

For this however, a special bookkeeping-scheme is needed nowadays, because the sociological sense of all bookkeeping, namely to register constant money-units has vanished nowadays as a consequence of the World's War. The scheme of Solon is needed consisting in a sociological devaluation of the national currency-footings! Firstly the Emergency of the war caused the Emergency-abuse of the currency-systems; then, with the declaration of peace, the Emergency-abuse of the currency-systems, once existing, caused and causes further economical, financial and political Emergency! A peculiar rotation of "Cause" and "Effect", which is well worth noticing to fully understand the absolute logical lawfulness of the world's crisis.

This leads to the second main cause of the present sociological deluge, of which cause we can see only the external effects, for instance the political, the financial, the economical effects. The second main cause is: The inner decomposition of the national money-standards into mere money-units. This decomposition makes it impossible to register the fluctuant economical game of "supply and demand" with that machinery-like impartiality, as other standards (gauging means), for instance the Liter, the Meter or the Yard, the Volt, the Horsepower etc. -(which have not suffered in consequence of the World's War)- still are doing and with that machinery-like impartiality, as the currency-systems of the pre-war times allowed us to do. This decomposition hinders that economical game of "supply and demand" very seriously and progressively. Here it may be sufficient to state: The money-deterioration drives everybody out of one market after the other market, in which he used to appear as buyer. All economical exchange is thus suffering from a kind of progressive tetanus, leading into universal death, as has already become visible in Russia.

A kind of mental pathfinder or pilot is needed nowadays in order to restore order, especially to restore again the sense of all sound bookkeeping, i. e. to register constant value-units (standards), and in order to put again firm sociological-bottoms under the sciences Economics, Finances and Politics. It is well worth noticing, that all economical exchange with its "supply and demand" is the outcome of a deeper-laying *sociological* exchange, i. e. between human "will to produce" and human "power to consume".

Thus we have outlined the sociological work to be done in general, namely to abolish the two main causes of the world's crisis of our time:

a) The indebtedness, to be abolished by clearing and by cleaning the debts with the aid of the bookkeeping knowledge, enlarged in this special case by the scientific scheme of Solon, consisting nowadays in a sociological devaluation of the pre-war currency-footings.

b) The inner decay of the national money-units, to be abolished by the Creation or Re-Creation of national currency-systems of a completely correct mental construction, the scheme of Solon mentioned above furnishing the size of the currency-footing to be used in order to come to a smooth national guiding-over movement everywhere.

Thus the sociological work to be done in special, has to follow — essentialy as well as chronologically — the following

Summarizing of the World's Winding-up Plan:

The 1st step

Described in Chapter I. The establishing of a special National Office for the work to be done (Currency-Ministry) and the drawing-up of a national winding-up state balance sheet with the aid of the "Sociological Law of Devaluation of the Currency-footings", first applied by Solon.

The 2nd step

Described in Chapter II. An International Conference of the Currency Ministers, in order to compare the national winding-up state balance sheets, and there-by to come to a clearing and a cleaning of the state-debts of the past.

The 3d step

Drescribed in Chapter III. The Creation or Re-Creation of a National Currency-system of complete correct Mental construction (and thus of better construction, than the construction of the pre-war currency-systems were), — may it be tactically executed on a metallic, on an nonmetallic or an a mixed basis — the work of I. and of II. together furnishing the true national currency-footing, as historical events have developed it. Here the national guding-over movement joins.

The 4th step

Described in Chapter IV. The assistance of the Goldowners and Financiers furnishing actual gold after moral i. e. mental order will have been actualy established by I., II., III.

The importance to distingnish in the Present Sociological Deluge between

Gold as a "Chip" (gratuitous sociological currency-help) and

Gold as a "Coin" (recompenseable financial loan)

"Retain the value, but give back the chips!"

The giving back of the chips:

Case A. Gold in the treasury (free).

Case B. Gold in the traffic (not free).

Conclusion:

A practical suggestion. The singular position of the statesmen in consequence of the want of special experts in a Sociological Deluge. Extract from Mailing List.

An Introduction into New Scientific Domains:

An explanation in regard to the singular position of this sociological investigation should be added:

The entire statements and deductions issued in the course of the last 3½ years have raised highest interest everywhere.

The general impression can be expressed thus: „It all seems very clear! The writer certainly is on the right track! But —: "Who is going to judge about it?"[1])

In putting in the last stone of a life-work with the present Memoir, the writer begs to answer that question thus: "An office to judge the statements and deductions does not exist in any of the states of the world; the solution of the World's Problem and the present "World's Winding-up Plan" have been found in new sciences, of which the writer is the original founder and discoverer, and these new special sciences demand that a new and special office be established in every state, which we here may name a "Currency-Ministry"."

Thus, all the writer can do here is to show the place of the new sciences among the other sciences, especially their position in regard to Economics, Finances and Politics. These sciences were represented in the most sublime scientific assembly the World has ever seen, at the Genoa

[1]) This question is answered still more distinctly on page 36.

Conference; while no one did represent there the new sciences so badly nedeed, and all the writer could do, was to give them an inoffical representation by memoirs.

If we compare all human activity with the growth of a tree, the science of Sociology is the stem, from which the different sciences and special schematical knowledges branch off, single or in groups. Then the one branch, comprising the group: Economics, Finances, Politics, has grown wild nowadays, and needs inoculating or grafting by the aid of two other branches, namely (a) by the aid of the bookkeeping knowledge, enlarged in this special case by the scientific scheme of Solon, consisting nowadays in a sociological devaluation of pre-war currency-footings.

(b) by the aid of a new member of the class of gauging sciences, the "Sociological Technicology of Money" which new gauging science had to establish first of all, and has established first of all a "Normal Model of a Currency-System" in order to come to a Standarisation or a Re-Standarisation of the national Currency-footings, (may it be the same standard as formerly, may it be another one).

The inoculating by (a) is needed in order to be able everywhere to draw up a winding-up state balance sheet, which can be compared mathematically with that of other states andtherewith — to come to a Clearing and, then, to a Cleaning (remission) of the state-debts: *Under the pressure of universal indebtedness the Consuming power of the world is lowered!*

The inoculating by (b) is needed in order to abolish the inner decay of the national money-units, which — as a consequence of the World's War — have got into the insane situation everywhere of being to-day "Standards, which are Non-Standards": *The world cannot work with such insane standards!*

In regard to (a) Solon has to be called a predecessor.

In regard to (b) the work of the Physicists and Astronomers, which calculated out and gauged the Meter, and the work of the Roman Lawyers, which established Standard-models of Law-institutions, form analogies of the Special Mental Gauging Work, which had to be done and which has been done: In the one instance the Standard was of a bodily concrete character; in the other instance the Standard was of a mental abstract character.

Here we may sum up: The Solution of the World's Problem and the present World's Winding-up Plan — on the one hand — lie deeper than one thought, namely, in the motherly bottom of all science, and especially of all economical,

financial and political science namely, in the science: Sociology! The Solution of the World's Problem and the present World's Winding-up Plan — on the other hand — are, taken as a whole, much simpler than the world has dared to hope.

The author considers the relative simplicity of the plan as one of the best proofs for its correctness. The author thus seems to have done more than to "show the right track" by sending out enormous quantities of memoirs into the entire world during the last 3½ years. He has also supplied the entire world with the World's Winding-up Plan needed which is a plan thoroughly finished and ready to be applied. Nobody, then, can get away from that Historical Fact.

If the reader will kindly understand that the world is in Something New, namely, in the midst of a Sociological Deluge, and if he then studies the wonderful regularity of this singular crisis with the eye of a Sociologist — forgetting for a while all economical, financial and political doctrines *of pre-crisis time* — he will be able to follow, word by word, the narrow path, which leads out of the present Circulis Vitiosis into "the land of promise", namely, the land of new and consoling scientific truth and -closing this little pamphlet- he might exclaim: "How extremely simple!".

He will understand, then, the view of the writer, that the world cannot neglect this solution, ready for application, whether or not the world will be honest enough to acknowledge the enormous mental work done by the author.

Bonn, Coblenzerstraße 75.

Whitsuntide 1922.

Chapter I.

All states — or national bookkeeping circles —, which want to regain firstly a clear and then a clean table, have to draw up a special winding-up state balance sheet, according to a special bookkeeping scheme, which is the scheme of Solon and of Rome at the end of the Punic wars, and which is to-day once more needed in the course of the passing-by centuries. The scheme consists in a sociological devaluation of the pre-war currency-footings.

A special office has to be established in every state — or national bookkeeping circle — to draw up such a special winding-up state balance sheet; for such a special office — let us call it "Currency-Ministry" — to execute that special, new

and singular work, is missing everywhere; this fact explains why Conferences have been called in order to find out the missing link between disorder and order, and why those Conferences, which were of the highest political importance, did not succeed well in this one main-point.

To furnish that missing link between disorder and order is not the work of the national gauging offices; for they deal with the gauging of bodily-concrete gauging-measurements, not with the gauging of mental-abstract gauging-measurements. — Neither is it the work of the national Ministries of Finance; for they levy taxes with the aid of the national money-unit as it is. — The national State-Banks, similarly, deal with the national supervision of the stream of bodily money-signs, and do not deal with the mental investigation or the invention of the best currency-system possible.

The statebanks are *administratators* of a currency-system *existing*, and not *creators* of a *new* one! The statebanks have shown a certain schematical stiffness, which is *necessary* for a good administrator! The work in question, however, is a creative one, requiring a certain mental moveablness. The World's Winding-up Plan is not to be executed against the statebanks, not by the statebanks, but under the assistance of the statebanks: The inventor has *always* to show to the factories how the new article is to be manufactured! Therefore the best name for the new national office, obviously here missing, seems to be "Currency-Ministry".[1])

The sociological work of the Currency-Ministries firstly consists in finding out the new national currency-footing, which work is connected with or consists in the drawing-up of a national winding-up state balance sheet as will be shown. This is an entirely arithmetical affair, and has nothing to do with the presence or the absence of gold in the national Treasury, in the national State-bank, or in the national Traffic.

The sociological work of the Currency-Ministries furthermore is: Internationally, to compare the winding-up state balance sheets, and thus to come to a clearing of the state-debts, with which a cleaning (remission) of the state-debts can be connected; mutual or one-sided; partial or total.

Nationally, this work is to create or to restore a new currency of a completely correct mental construction; may it be on a non-metallic, on a metallic or on a mixed basis, and to direct the national guiding-over movement from money-technical disorder into order.

[1]) Compare: Firstly the telephone had to be invented by private creative power before state-telephone-offices could be established.

The winding-up state balance sheet, which has nothing to do with the "Yearly Balance Sheet of the State-Budget" or with the "Yearly Balance of Trade", or with the "Yearly Balance of Payment" has to be drawn up in the following way:

The Activa of each state have to be entered on a GOLD-weight-unit-footing, which is a reduced (changed) footing compared with pre-war times. It is obvious, that the Activa of every national winding-up state balance sheet will be enlarged arithmetically for instance 12, or 100, or 1000 times etc., if we lower te pre-war currency-footing to the 12th, the 100th, the 1000th etc. part of its arithmetical pre-war gold-weight-value.

The Passiva, however, especially the war-debts, are — as a rule — set in at the new, the devaluated, currency-footing! There are exceptions to that rule, as every sensible bookkeeper will be able to find out; the question, how to value the state-revenues by way of inland-taxes and of external tariffs — on the Activa-side —, likewise, needs attention. Here it may be sufficient to state, that those revenues have to be entered in that state-balance-sheet in a capitalized form, i. e. to be multiplied with a factor — as a rule — not over 20. Details, as far as necessary for a general understanding of the character of such a singular winding-up state balance sheet, were published on pages 28—36 of "Something wrong!"

That currency-footing which causes such state winding-up sheet to balance, IS the new and true currency-footing of the land in question. The whole transaction, to be calculated out in every national bookkeeping circle, is "an arithmetical Equation with one Unknown", namely, the new currency-footing!

There remains moving space enough to chose the new currency-footing in one decimal figure and all states should use here the same weight-unit!

This work of the Currency-Ministers is an entirely mental affair, of mathematical character. It is the starting and pivoting point to restore order nationally and thus internationally!

Chapter II.

The drawing-up of such a winding-up state balance sheet in every country represents quite a lot of work, and of exact mental work, too! This work, however, can be done in about 6—8 weecks in every national bookkeeping

circle, if the right man be put in the right place everywhere, and if he be given all the assistance economical, financial and political statistics can give.

When each state will have its winding-up state balance sheet and thus will have found out its true national currency footing, without a clearing and without a cleaning (remission) of debts, an International Conference of the Currency Ministers will settle the World's Problem in a fortnight. For:

a) A Clearing of the state-debts now is possible because every state balance sheet registers again the debts right away on the same basis, "a goldgrammbasis", may the footing of this basis be small or large. The comparison of the balance-sheets is independent of the Valuta-markets; for what the valuta-markets state about Dollars and Marks, Pounds and Rubels (Imperial, Kerensky, Sowjet etc.) is eliminated entirely; we here deal with goldgrammes.

b) This Sociological, Money-technical (Gaugers) and Bookkeepers' Conference will understand, that a country which has t o o many debts, has no strong consuming power and thus would be a hindrance to the balance of the industrious world. Therefore t h i s conference will come not only to a clearing, but to a cleaning, too!

c) The valutas will find stabilisation by themselves, in case the interior c a u s e of the instability of the Valutas will be removed as a consequence of that conference. The internal cause of the instability of the Valutas is: The present insane situation of the national value-standards: "To be a national Constant, which is a Non-Constant" (Compare: A Meter or a Yard, consisting of a band of rubber!)

This removal can be effected only by gauging the national value-units anew, i. e. by bringing n e w Marks, Rubels Dollars, Francs etc. into the national traffic. These new National money-signs must be constructed according to the demands a currency-system of a completely correct mental construction must have, and the o l d national money-signs must be drawn out of circulation.

This national part of the World's Clearing is described in the next chapter.

d) Universal unemployement will c e a s e as a consequence of that conference: The unemployed will be reabsorbed again by the bettering of the Consuming-Power throughout the world, which will cry again for stronger supply and thus for human labour, as soon as this Consuming-Power is liberated again [1]) from the pressure of the universal indebtedness by a clearing and by a cleaning of the world's-debts and

[1])from the present tetanus, — caused by an universal interior decay of the national value-units, — by the issue of new national money-signs of completely correct mental construction and by a national guiding-over movement of the same mental character.

It is possible, but not necessary, to come to a world's-standard-money-unit by proportional remission of debts. For: If the P a s s i v a of the national winding-up state balance sheet, to be brought to that International Conference, are reduced there by a remission of debts, it is not necessary to enlarge the A c t i v a so strongly arithmetically by the lowering of the pre-war currency-footing.

The Programm of the International Conference of the National Currency Ministers will have to comprise two essential points: 1) Clearing, 2) Cleaning.

Firstly the C l e a r i n g of the national debts has to be done, and, then, secondly a remission of debts, according to the sociological n e c e s s i t y to make a C l e a n table comes into consideration. This means: Probably it will prove necessary , that every state retaining a credit after the clearing, cancels t h a t part of its credits, which — if enforced — would form an unbearable pressure, and thus a stoppage, of the economical life of its Debitor-states, and thus and therefore of its own economical life, too. Here we have — or shall have — the absolutely equal sociological situation, with which Solon had to deal, when neither the poor Tenants in Athens could find any longer a "reasonable living", nor the Landlords could further maintain the existence of their palaces. Just the scale is enlarged from a single city to the entire world.

Chapter III.

Every Currency Minister, going home from the International Conference (may it be, already, the Hague) can proceed right away to establish a new currency-system in his country and to guide the national money traffic over from disorder into order. For that International Conference will have revised his national winding-up state balance sheet by clearing and by cleaning and thus will have settled the new and true national currency footing, as historical events, including that conference, have developed it. The Currency Ministers will come to that conference with a p r o v i s i o n a l curency-footing, which is needed to do the Clearing: they will leave the conference with a r e v i s e d currency-footing, after the Cleaning will have been added to the Clearing at that conference.

Having come home, the Currency Minister must use a non-metallic currency-system, based, however, upon gold-weight-units, in case his country does not have much gold; he can use a metallic system, in case the amount of gold, which his country has in bodily possession or receives from other states as a "sociological currency-help" permits to do so; finally he can use a mixed system, partly metallic, partly giral. In most cases he will decide himself for the mixed system, which may be named the "Gold-Giral-Currency-System" or "Gold-Nucleus-Currency-System". For the gold-cover of the world everybody is pulling at is far too short, and few states only might be able to keep up the luxury to issue goldcoins.

The fact is, that the pre-war currency-systems were of s u f f i c i e n t l y, but not of c o m p l e t e l y correct mental construction. In pre-war times there did not exist the necessity to o f f i c i a l l y look into the mental or gauging problem, whether a currency-system of a complete mental correctness can be thought out by logical power only and which intellectual demands such "normal model of a currency-system" would have to fulfil. The fact, t h a t the pre-war currency-systems were of a sufficient mental correctness is proven by the large economical exchanges in pre-war times throughout the world. The fact, t h a t the pre-war currency-systems were not of complete mental correctness is proven by the fact that they broke down as a consequence of the war and were unable to resume again their sociological function by themselves or automatically after peace was declared .

Thus it seems to be fully explained too, why p r i v a t e s p e c i a l investigation was needed in order to unroll the question of a "normal model of a currency-system". This mental investigation in scientific research may be compared to the finding out of the logical claims and demands any certain law-institution has to have, for instance "Buying and selling".

The sharp logic of the Roman Law has developed such "law-models", wich have remained prototyphes for all times to come, because they are of completely correct mental construction. The demand "F i r s t o f a l l c r e a t e b y l o g i c a l p o w e r a n o r m a l m o d e l o f a c u r r e n c y - s y s t e m" has proved to be the "steering-point" in our ocean of troubles; and all details of this present "World's Winding-up Plan" have arranged themselves around the solution of this question, which thus may be compared to a crystalisation-point.

Now the fact is, that a currency-system of a completely

correct mental construction can be erected either upon a non-metallic, or upon a metallic, or upon a mixed basis. Therefore the American gold has n o t the position of a Dictator, but it can have the position of a valuable helper, who can earn a good profit by his help. Therefore the chapter concerning gold is not the f i r s t chapter in the present World's Winding-up Plan, but the last one! A l l t h e g o l d o f t h e w o r l d c a n n o t s u b s t i t u t e t h e m e n t a l o r d e r w h i c h i s m i s s i n g a n d w h i c h h a s t o b e f o u n d o u t; A f t e r, h o w e v e r, t h e m e n t a l o r d e r i s f o u n d a n d i s r e c o g n i z e d e v e r y w h e r e, g o l d c a n c l a i m i t s p l a c e. And it will be a gigantic and a good business, from the egoistic as well as from the altrustic standpoint. We shall deal with that in the next chapter, which is the last.

A c o n s t a n t value-unit, id est: A national value-s t a n d a r d, is a necessity for a l l business exchanges and, especially, is the logical supposition of all economics, finances and politics.

Only a national money-system of c o m p l e t e mental correctness can furnish such a "standard" nowadays. A money-system of c o m p l e t e mental correctness needs three things: Besides c u r r e n c y (basis and footing) and c o v e r (metallic or nonmetallic) it needs b r a k i n g - s y s t e m s (against an over-, as well as an under-issue of the national state money-signs).

From the sociological investigations about "cover" there may be mentionend here the "System of p l u r a l covers" formed by all kind of "values existing", which can be expressed in goldgrammes; this we might name a "nominalistic" (non-metallic or goldless) cover. The system of p l u r a l covers, covering the missing amount of currency-basis-weight-units, not only fully, but plurally fully, is of a strength unheard-of in the history of money-signs.

The sociological investigation furthermore has shown the high importance of "braking-systems", and modern forms of the same. This high importance could have been deducted, likewise, from the economical law: "The amount of money, buys the amount of merchandise".

A very important new scientific result furthermore is: "I n c a s e t h e n a t i o n a l m o n e y - u n i t i s n o t o f t h e s a m e c o n s t a n t, — m a c h i n e r y - l i k e —, i m p a r t i a l i t y t o m e a s u r e t h e f l u c t u a t i n g economical game of "supply and demand" — as the Liter, the Meter or the Yard

the Volt, the Horsepower etc. do, which are gauging-means of such machinery-like impartiality — money is not any longer an "Accumulator of values", but a "Destroyer of values"! The "Business Man", then, becomes a "Tired Business Man" with grim necessity!!!

A highly advanced civilisation, as for instance that of the present, needs the best gauging-means possible for its very existence! May this civilisation be governed — socially viewed — reasonably (taxes on inheritance, but not destroying the raising-up of able successors in the management of family enterprises) or unreasonably. (I think it better not do give an instance of that.)

The guiding-over movement in every bookkeeping circle will not bring a change of present prices. The new money-signs, being part of a currency-system of a completely correct mental construction, may be more valuable or less valuable than the present money-signs, which are part of a Non-System or — we might say — of an empirical system, which has become systemless by historical events or by "Force majeur". According to the relation between the old money-signs and the new money-signs you will have to give more or less of the new money-signs, but you will pay the same price! The old money-signs have to be called in and to be pushed out of the open money-marked and into an annuity book-loan; state-debt book at all country-seats; titles exchangeable only by a mild governemental permission[1]).

The Currency Minister will have to calculate the practical relation between old and new money-signs. Details have been published in "Something wrong!" page 33, and very detailed in "Völker-Clearing", one of the previous memoirs, issued November 1921, page 44.

The purpose of the entire work, including the guiding over movement, is a sociological one! In General: To redeem the future from the past! To abolish the ultimate causes of the present sociological deluge. Particularly: To arrest the present sociological "Circulos vitiosos" and to throw them into the opposite direction! He who understands that, will understand, likewise, that the guiding over movement has nothing to do with a "change of prices" and also that the Bettering will not come suddenly, but surely, steadily and with progressive rapidity.

[1]) **The national guiding-over movement has been fully described in "Something wrong" and in previous memoirs.**

We can state here, that the healing-off will probably not take more than about 9—12 months. And I beg to call here attention to the fact, that as soon as Currency Ministries will be established everywhere and the World's Winding-up Plan will be recognized by the Statesmen of the entire world, the Public will understand with the sure instinct the public has: "Now the World's Problem has reached the right track! The right start for the Bettering has been made!"

We believe, that the innerpolitical effects of such public feeling would be great everywhere.

The International order will be the natural consequence of the National order, and the old question, then will arise again, whether free trade or protective tariff is better. Let it be stated here, that there is no absolute truth in either of them and that sociological arrangements, for instance to switch the English and the German world's stream of merchandise, as a whole, parallel to each other, — which two streams up to now were crossing each other, forming dangerous brakers — may be, in some cases, better than either free trade, or protective tariff. —

Finally we beg to say, speaking about the international order: The "Stabillisation of the Valutas" is a contradictio in adjectu, similar to a "Suppression of the force of gravity". It is only possible to gauge the national value-units anew, that is, to free them from their present insane condition, the logical result of which is the present instability of the valutas! New Marks, Rubels, Dollars etc. of a completely correct mental construction have to be brought out; thus and then the new national money-signs can show stabilized valutas very suddenly. The relation between Dollar and Mark, for instance, will be again of financial stability and of economical endurability, in case, for instance, the new Mark will be 6 times as valuable as the present paper Mark, and the new Dollar 5 times less valuable than the present Dollar, which, for want of braking-systems, likewise, is standardless (inspite of "Full Goldcover") and a gauging-measurement distinctly different from the Dollar of pre-war times.

Nobody is going to lose by such a restoration of stability; the fact, that the present prices will not be changed by the guiding-over movement, holds good for the international guiding-over movement too! The gain for everybody will lie in the fact that the intensity of all sociological exchanges, for instance, the economical exchange, which at present is suffering from a progressive diminiuition, will show again a progressive increase! The "sinking of the prices" giving a "reasonable

living" to everybody, whose consuming power is not hindered by debts, can only be attained by an increase of the production. But such increase of production is only imagineable in case all gauging-means, including the national value-unit, which are auxiliary-helpers to production, are of the very best exactness mentally obtaineable. Thus the pesent money technical order forms the start to bring back "good times."

Chapter IV.

Concerning GOLD we have to distinguish in the present Sociological Deluge, first of all, between gold as an abstract means for the sociological community to measure with and between gold as a concrete good of the individual; in the first case gold has to be considered as an abstract state-instrument for gauging purposes; in the second case gold has to be considered as a concrete private-instrument to accumulate values. It may be added here that the pre-war MONEY, likewise, showed those two distinctions very clearly: The money-signs (notes or coins) obviously were abstract state-instruments, which from a sociological view are only chips lent to the individual; the bockaccounts were private instruments of the individual, representing his concrete money-power.

This clear distinction between the two faces of GOLD — in short we might say between gold as a "chip" and gold as a "coin" — may not be entirely new to the scientists; and this theoretical distinction is certainly not new to the Science of Economical Philosophy! But the immense practical importance of this distinction in order to master the Present Sociological Deluge, Folowing its Own Sociological Laws, not investigated officially up to now, in any conntry, — is new !!!

In fact the international part of the gigantic Solonical work, which we modestly try to accomplish, — (and which work to save modern civilisation might be comparable to the work of old Noah), — is based on this distinction: As far as gold is needed by states as an abstracte state-means to measure it must be given to them by the other states as a "gratuitous sociological currencv help", as will be proven to be one of the Laws of the Present Sociological Deluge! The main question nowadays therefore is, *how* that gold as abstract means to measure *can* be taken out of those countries, rich or even too rich in gold.

Only as far as gold is needed in a sociological deluge to buy wheat etc. for the population or rawproducts for manufacturing can it be given as a "coin" or as a concrete value i. e. as a "recompenseable financial loan".

Thus we might sum up the new distinction between GOLD as a "coin" (as a value) and gold as a "chip", which distinction is of the Highest Importance in the Present Sociological Deluge, thus: "Retain the Value!" (as far as it can be reasonably done) "But Give Back the Chips!"

Now, concerning the giving back of chips, we have two cases:

Case A. Countries, which have a free surplus of gold in their national treasuries, can just book it off on the Passiva side of their winding-up state balance sheet and give it to the state-banks or treasuries of those countries which have lost the "gold-technical minimum", that is, which are too poor in bodily gold to follow smoothly the external exchange of import and export by the aid of State-bank gold-certificates: A new kind of "Yellow-backs", stating the amount of gold-weight-units deposited.

It would be good, that every state would have besides a *second* amount of goldgrammes, in order to be able to base its interior money-traffic, likewise, again ostentatively upon goldgrammes: State-bank gold-certificates for the inland-traffic *too*, which, after some years, may be exchanged into goldcoins.

Newly applying the view of Mr. Vanderlip we believe that it is sufficient if 20 % of the entire amount of the inland money signs are such State-bank Gold certificates, while the balance of 80% can be non-metallic.

The investigations concerning the finding out of a "normal model for currency-systems" have shown, that a nominalistic (non-metallic) national money-system, based, however, upon goldgrammes, is possible. It would have to be called a system of "chips", which, -however-, under the addition of well constructed braking-systems would be a good and effective system; in fact, a better money-system, than a gold-coin-money-system, which does not know braking-systems at all, or whose braking-system is not of a good mental construction. For that "Chip-system" would have an insurance against inflation, while the "goldcoin-system" (which after all is a Chip-system too!) has not!

The Masters in the Art of Finance may appreciate these sociological results of special scientific investigation, which we might call scientific facts; but the public, as a whole, will never, — at least not in our times — understand the difference

between "gold as an abstract gauging standard for the sociological community, to measure all goods and services with" and "gold as a concrete good of the individual".

The economical game of supply and demand, obviously, can be played just as well with porcelain chips, as with golden chips. The game always is the same, may the boys have stone or glass or golden marbles. The essence of the nominalistic (non-metallic) doctrine may be perhaps expressed thus: "Gold is only a mnemonic aid for the public! Gold is the marble stone to play the Life-Game! And the playing of the Life-Game is the main thing, and not the accumulation of the marbles".

Let it be sufficient to state here: The correct mental construction of a currency-system can be executed in a metallic a non-metallic and in a mixed manner.

Now, the sociological gold-hunger of the public is so great in our days, that it may be dangerous to issue gold-coins right-away; for they probably would be piled up privately and never again be seen in the traffic.

Compare: Count S. I. Witte: „Vorlesungen über Volks- und Staatswissenschaft" 20. (page 231) About the piling-up of silver coins.

Even the new state-bank goldgramm-certificates should be insured against a private hoarding! This can be done by limiting the time of their circulation in advance, for instance: Yearly money, issued already from October 1st of the foregoing year, and exchangeable again into bookaccounts until April 1st of the next following year. The public, thus, may be obliged to pay in again the State-money-signs at the end of their circulating time upon Private-bock-accounts, which book-accounts can be rationed according to the necessity to keep the entire amount of State-money-signs (Chips or Marbles) issued under braking systems. The giral methods can help out sufficiently, especially in case they will be improved; for instance: Certified checks over fixed denominations, running about 10 days, only, by, penality of taxation. Railroad return tickets are issued under similar penality, namely of complete voidness.

A very good giral method would be to manufacture little machines, locked with a Yale lock of the banks, and issuing certified checks up to the amount fixed by the banks in a machine-like manner. I advocated the issue of certified checks by way of machinery in the beginning of 1919 in the memoir "Geldersatz".

Thus it becomes evident, that the (American) Gold has not the position of a Dictator in regard to the national Currency Ministers, but of a valuable helper! All sound business consists in switching the different interests concerned parallel to each other: We here try to switch the interests of America and of Europe parallel to each other: We beg to call special attention to the difference between gold, as a sociological currency-help in order to restore money-technical order, including the clearing and the cleaning of the debts, and gold, as a financial loan, in order to buy raw-products etc.

Gold, as a sociological currency help, follows sociological laws, which, though they are new, are of irrestistible logical strength in case they are true laws, i. e. in case they cover or express the inner lawfulness correctly. Such a sociological law seems to be: "America must push off some gold, in order to abolish its general unemployement". For nobody can buy in dollars, which have obtained an enormous valuta height in consequence of the one-sided American gold accumulation, and therefore the American export-industries have to close and the farmers have to burn their cotton.

One of the most singular faults of present times is to consider those currency-systems as sound and as sane, which succeeded in retaining a full metallic cover, and to consider the dollar a "true" gauging-means to measure values. All calm observations of the life of our time show that this view must be erroneous, and here we hope to give the explanation: Why?. Money and gold are means to help human activity, but nowadays — on account of the one-sided gold accumulation (gold-inflation!) and of the want of the complete mental correctness of the currency-systems — they are destroyers of human activity. Thus the world's crisis can only be abolished by restoration of a complete mental correctness of the currency-systems and by pushing off such a part of the gold, one-sidedly accumulated, that the sociological life in the gold-taking as well as the gold-giving states can be freed again from the present tetanus.

If it is a sociological law, that such gratuitious pushing-off of gold has to take place, it has to be done. If it is a true law, — *what in our opinion cannot be doubted* — it will prove to be an impossibility and an inefficacy to give that amount of gold, which lawfully has to be pushed off as a gratuitous sociological currency-help, as a recompenseable financial loan!!! The fact, that there has been spoken already

much about "remission of debts", points into the same direction. But the point is, that a simple remission of debts will not help to restore the missing, the mental, order and that a World's Winding-up Plan of complete correct mental construction must be added to the good will and to the common sense to remit debts as far as it is sociologically necessary for all.

What the world has called up to now, "remission of debts" belongs into the same class, as the "gratuitous sociological currency-help" set forth. In both cases the man who gives receives reward *by* the giving; or, in other words: The man, who is supposed to give, is better off in case he gives, than in case he would not give. It seems contrary to all rules of experience; and in fact an experience, like that of our times, namely, to have to deal with a sociological deluge, following its own laws unknown up to now, certainly is a new experience.

The giving of gold as a sociological currency-help must be gratuitous, because only a gratuitous currency-help can serve the purpose on the side of the givers as well as on the side of the receivers.

But this giving of gold as a sociological currency-help should not be without formulating conditions:

(a) The only condition which, in pushing off gold, must be made, is, that the receiving country brings its money-system and its finances into complete mental order, that it establishes right-away a Currency Ministry for that purpose, in order to draw up a winding-up state balance sheet, and that it participates in the clearing and the cleaning set forth.

In other words: The gold-owners and financiers of the world should insist on a complete restoration of sound bookkeeping, registering again standards, and on clear winding-up balance-sheets, previous to the giving of gold. Otherwise they might throw good money after bad money, and in an economical cask without a sociological bottom!

(b) The conditions which can be made, relate to security and to reward.

Security: Security can be asked firstly, that the gold, to be given as a gratuitous sociological currency help, does serve indeed that purpose on the side of the taker. This security can take the form of state-loan-papers, which shall be enforceable within a certain time, for instance 5 years, in case the gold receiving state should not use the gold for the purposes it has been given to him, but for other purposes. After the expiration of that time the state-loan-papers have to be cancelled as void.

Reward: Either a small percentage of all external economical transactions based upon that restoration of a "gold technical minimum" for some years to come; either-practically less complicated with political reflections-once a percentage of the inland income, which every national treasury can easily draw from the winding-up. Details are published on page 38/39 of "Something wrong!" Both sources are able to deliver large reward for the gold-help.

(c) The condition, which should not be made, is: "To pay back the gold"; for you can expect the crops to pay your help, in case you pour water on the thirsty plants; but you cannot expect to squeeze out again the water from the crops. It may be repeated: The gold, we here are dealing with, is not to be given as "value", but as "means to measure".

A financial gold loan is quite another thing! The need for such can be eliminated entirely, — or at least to a very large extent — by a clearing and a cleaning. And this certainly would lead to the benefit of the goldowners also, which are in danger of coming to a "splendid isolation", economically viewed, with which splendid economical isolation general unemployement probably will become a lasting institution of the isolated states.

Let the need for a financial gold loan turn out to be as it may at the end of the International Conference of the Currency Ministers two things, then, are certain: (1) Order, then, will have been restored, and therewith the possibility is enlarged to work of a financial gold loan. (2) One cannot lower the consuming-power of any country by the pressure of a big financial gold loan, and-then- expect that country to be able to buy American cotton, English plantation-goods, and French factory-products in large quantities. Therefore the question *"How far debts should be remitted"*, will find an answer between those two considerations!!!

It may sound radical, but it may prove the best: To remit debts entirely! To completely free the future from the past; and thus to spread times of economical prosperity and of social melioration, unheard of before, over the entire globe! We beg to express the belief that a George Washington or an Abraham Lincoln would have done it!

It seems obvious that a World's Winding-up Plan has to take into consideration the entire world, and not only the question of the indebtedness of Middle-Europe.

Perhaps the most interesting sociological warning admonition, given to mankind by the World's War has been: "Every community (state) and every individual (in each community) tries to get as much gold as possible. But there is a point beyond which a one-sided accumulation of gold becomes senseless, nay destructive, for the accumulator." One might say furthermore: "Gold, if accumulated one-sidedly, and money, if suffering from an interior decomposition of the money-unit, have proved to be destroyers of those values civilisation has erected in centuries".

What is the use of having marbles oneself, when other boys have none? All boys Cannot play! In our case the "game of marbles" is the Game of Life itself; it is the sociological exchange between human will to produce and human power to consume.

The deepest wisdom of Solon may, perhaps, be expressed thus: In cases of sociological emergency of that money technical kind — which happily are rare in the history of mankind — the "Values existing" and the "Means to move (and to measure) them" must be kept apart mentally!

The values existing are alright in our days!

There is nothing wrong with the machinery (the values existing, including the human labour), there is something wrong with the boiler (the money-gold-power), which should drive the machinery). Let us hope it may be soon: "Back again to full speed!"

Case B. There may be countries, which have lots of gold in their national traffic, but which do not have a free surplus of gold in their treasuries.

They may be so rich in gold, that they have come into a splendid economical isolation, the economical exchange between them and the nations poorer in gold being stopped almost entirely.

Those states have two ways to extract gold from their inland traffic in order to restore therewith the gold technical minimum in other states: A financial way and a sociological way.

(1) The Financial Way consists in the laying up of a financial gold loan, which the citizens are to subscribe. This seems to be the way, advocated at present by Messrs. J. P. Morgan and Dr. Vissering. There certainly are no financial considerations, which speak against such a way to extract gold from the traffic or against its execution, if the high financial authorities named should have approved of it.

The considerations, which seem — generally — to speak against that way of a financial gold loan — as being an, inorganic way — are of *sociological* character!

(2) The Sociological Way consists in exchanging the metallic gold cover of a part of the money-signs against a non-metallic cover of equal economical strengh; on this occasion, a reorganisation of the national currency can take place, which in most cases will consist in an overhauling of the braking-system existing or in the addition of such braking system. Those states, then, will have as much surplus gold at the free disposition of their treasuries as they want to put to the disposition of other states. And, likewise, as much as those other states reasonably can want or need.

The simple state-credit of any of the gold owning states will be a sufficient cover for the goldless inland-signs. The U. S. of America can use the scheme of Mr. Vanderlip concerning a "Bank of Europe, issuing money-signs covered to 20% in gold" probably right-away ——— at home! And probably can make it a 50 % goldcover or even more. In all cases it seems to be a fact, that the U. S. of America have too many inland-money-signs and that they must reduce their amount and put them under braking-systems of modern construction.

(3) Comparison of both ways.

What all states, including Russia, need, first of all, is full mental or intellectual understanding of the sociological meaning of money and gold, shortly — in practical words — the restoration of sound business bookkeeping registering again standards, and a winding-up state-balance sheet therewith connected.

The question of bodily gold is secondary; firstly the proof of the mental order must be in the hands of the gold-owning financiers! This certainly is a very conservative business-standpoint, and therefore we hope no to be considered radical, if we might advocate on the other hand the standpoint: "All gold, which is needed to remit the debts and to restore a workable currency of completely mental, correctness everywhere belongs to the class of "gratuitous sociological currency help"! That gold, which is needed to buy rawproducts - only - belongs to the class of "recompenseable financial gold loan". Now, we cannot spare gold, as far as it is needed to remit the debts. For the winding-up state balance sheets will show exactly, — after the Clearing of the debts is made — how many goldgrammes-units are required for the purpose, to Clean the Table Entirely! Neither should we spare gold in restoring the "gold technical minimum", as far as this gold technical minimum is used for external exchanges, i. e. to follow the relative changes of export and import. The only place where we can spare gold, is in the inland traffic. Here we might even use in countries poor in gold a system entirely non-metallic, but equipped with a system of strongest "covers" possible and with "braking systems" of special construction. (Compare: for instance: Yearly money set forth above). We feel quite sure, that the clearing of the state debts will show, that — in most cases — the gold-owning states are the states, which will have to do the "remiting of debts", id est: Which will have to cancel the Clearing Balances!!! They will not lose much actual gold in doing this, for the bodily gold here in question will remain as a rule inside their boundary-lines and only the amount of foreign subscription can flow off. As a rule they will have to carry that burden of canceling the Clearing balance (debts-remission) in regard to their own citizens; id est this canceling of the Clearing balance is a Passivum of their winding-up state balance sheet, without any reference to the question, who is the private owner of the state-debt-titles, which, as a bundle, form the Clearing-balance to be canceled!

Now in case such a *reasonable sociological Passivum*, as the Canceling of the Clearing-Balance, or as the pushing off of gold in order to restore the "gold technical minimum" elsewhere, can be put into the winding-up state balance sheet

of countries rich in gold, it will be to the benefit of those countries!

Let us never forget, that we are in the midst of a "Sociological Deluge" and that the laws of that singular crisis, likewise, are singular. The benefit consists in bringing down the high stand of the valutas and in the very organic way described, according to which nobody is going to lose! Do not let us forget, that the "Valuta" is an arithmetical relation, not a value in itself! The benefit of bringing the Valutas into endurable and stabile relations is obvious: From that date, the American export industries can start again manufacturing for the states of present low valutas!

We might even go here one step farther and come to the very interesting question, *how many* of the new state- moneysigns, including their denominations, are needed in every state, which, then, will have to be put under "braking systems", keeping up smoothly and automatically the "point of satiety" of the national money-traffic We believe, that the ammount of national money-units needed (state money-signs plus private book-accounts) stands in a certain proportion to the Yearly production of national goods. But we better stop detailizing. For, if one gives too many details in a new domain of science, the reader may lose the mental connection; while, if one gives too little, the reader will consider questions unanswered or even overloocked! Therefore the writer has tried to give at the beginning in the "Summary" a review of the World's Winding-up Plan, as shortly as possible; and has tried in the different chapters to work out the details. Most emphatically the writer begs to point out: „The solution of the World's Problem of our time is lying in a direction and in a domain of special science, where no Conference has looked for it up to now; and the domain of that special science, which — alone — can furnish a World's Winding-up Plan of completely correct mental construction, is a wide one!

Now, further comparing the Financial and the Sociological Way to extract gold from the national traffic for the purposes set forth. we beg to state: The Sociological Way to extract bodily gold from the traffic, seems to be much better, than The Financial Way to extract Dollars or Guldens from the citizens! For following the sociological way, we extract gold as an abstract state-means of measurement replacing it in the traffic by other abstract means of equal economical strength; and we do that without any citizen lo-

sing one Farthing worth of values; and gold as an "abstract state-means to measure" is needed by the countries poor in gold. While, following the financial way, we extract gold as a "concrete good of the individual" and we have to give back to the individual equal concrete value, namely a state-loan of the gold-receiving state!

A State-loan, however, forms a pressure on the consuming power of the state poor in gold. and in that case this state will not be able to buy American cotton, or English plantation-goods or French factory-products on a large scale!

Thus is seems to be ovious, that The Sociological Way is better; even more than that might be said: „The Sociological Way is the only-truly-organic way and therefore it is the only way which can avoid falling back into the Circulus Vitiosus, which Circulus Vitiosus The Financial Way is *unable* to avoid!"

We beg to call it a fact: The World's Problem of our times cannot be solved by any of the financial, economical or political methods which are known up to now and which could be thought out: The World's Problem can only be solved by deep sociological understanding. For it is a sociological problem, a bookkeepers and a gauging problem, and no financial economical or political problem at all.

The political, the economical, the financial consequences of the present World's Winding-up Plan, — if recognized everywhere as being of complete correct mental construction and it then applied, — will be very important and salutary to all - states as well as individuals; but the problem itself is not an economical. financial or political problem! It cannot be such!!!For -if such would be the case- the economical, financial and political conferences would have solved it already long time ago! It belongs to the domain of a special science, namely to the domain of the "Sociological Technicology of Money", which is a new science for the present generation, and which -having rendered the services, needed nowadays, namely to clear and to clean and to restore sound business bookkeeping registering standards correctly constructed — may disappear again in the abyss of Time; just as Solon left Athen after his work was done, not leaving an office to preserve his Wisdom, which was simple and clear, and which was to a certain extent the reverse of Cleverness and Smartness!

The Solution of the World's Problem of our times is on

the one hand much simpler than was expected; on the other hand this solution comprises more details than expected, which details need a clear understanding and careful execution!

The fact, that the World summoned conferences to find ont the missing link between disorder and order is a sure proof, that the right office, to direct the guiding-over movement from disorder to order, did not and does not exist in every national state-machinery.

Thus the *necessity* to establish a "Currency-Ministry" everywhere is proven!

In war-time all kinds of new national offices were established everywhere; the restoration of a true peace only needs this one office. And it would be unreasonable not to establish it, because the public feeling does not like very much the establishing of new offices after the experiences it made with new national offices of the easy-chair-kind in time of war!

There does not exist -we beg to repeat it- another way, as far as can be seen from the standpoint of the scientific specialism set forth here, to come to a Clearing of the world -as advocated by Mr. Harding- or to a cleaning of the table- as suggested by Mr. Lloyd George-; that is to redeem the future from the past, and to free all economical powers from the senseless Tetanus, under which All states are suffering, whether they be poor in gold or rich in gold, and all mankind from the present senseless sociological and social need, embittering all hearts!

Especially this World's Winding-up Plan contains the true Reparation and the only material execution of the Versailles Treaty which is possible. "Reparation begins at home!" namely, by establishing a Currency Ministry and by drawing-up a national winding-up state balance sheet. You will find the funds needed in order to rebuild the territories devastated by the war in one of the winding-up balance sheets, if they are drawn up correctly.

Whether France or Germany is going to do the actual work of rebuilding, is a question of minor importance, and this question might be left to the lowest bidder.

But it seems necessary to fully understand that: The solution of the Reparation Problem is only posible by a restoration or an overhauling of the American Currency and the European Currencies!

A "Formal Revision" of the Versailles treaty is unne-

cessary. The work and the time to fight out the articles of that treaty can better be used by carrying-out a World's Winding-up Plan, of complete correct mental construction! Then, after about a year, all states will be able to exchange a mutual declaration "that everybody is satisfied, as far as the Versailles treaty goes". And even without such formal declaration that document can p r a t i c a l l y be dropped and be forgotten.

Finally we modestly might say: There is no other way, to-truly-help beautiful and victorious France!!! And beg to remind France as well as Germany: "La vérité quelquefois peut être invraisemblable!"

When, in closing, we beg to call special attention to the statement: "The present World's Winding-up Plan is to the benefit of *everybody* and is able to start times of economical prosperity and of social melioration everywhere unheard off before" this statement requires an explanation, because all financiers always accustomed to think in arithmethical equations, will ask: "Where is the other side?"

T h e r e d o e s e x i s t "a n o t h e r s i d e" t o t h e p r e s e n t W o r l d ' s W i n d i n g - u p P l a n ! This plan is the contra-action against the universal deterioration of money, which was an unforeseen, but a gigantic business, which has proved to be destructive to everybody, and which therefore has to be changed somewhere. Just the concrete plan: How to do it! has been missing up-to-now. — — —

Therefore it is, that the present World's Winding-up Plan is to the benefit of *Everybody!* The business therewith connected, is as gigantic as the business has been which was involved in the unforeseen universal deterioration of money; and the new business is even a better one. From a l l standpoints:

(a) The Sociological or Technical Standpoint.

Most emphatically it must be stated: The bettering of the n a t i o n a l, and thereby the international consuming power can only be effected by entirely dropping the present method of measuring the value of goods and services; for this present means of measuring the so-called "M o n e y" of to-day is a "Destroyer", and not an "Accumulator of values". The state of money nowadays is a M e p h i s t o p h e l i a n one! And all attempts or experiments to better the present state of any of the national Money-units (what one calls for an instance "A Stabilisation of the Standard of the Mark") are, to speak conservatively, desperately forlorn hopes. All money-technical experiences, likewise, show that "bad money" can not be

bettered by "good money": that "bad money" must be drawn ont of circulation, and only the man, who knows the scientific sociological demands of a "standard model of a currency-system" is in the position to c r e a t e new "good money" instead of the old bad money whether it be for France or for Germany, for America or for Europe!

All other attempts, — may they come from economists, financiers or politicians of the very highest standing in their own profession — are extremely dangerous to the economical life of the world, its states and its nations; and in all probability will a c c e l e r a t e the menacing universal disaster! The mental work of finding out the highest possible sociological developement of the currency-systems of the world has grown into a profession: A permanent office to keep up the s o c i o l o g i c a l connection between the great banks of exchange for the future, should be established! Its place migth be the Hague. (very near to the Peace-Palace.) The S o c i o l o g i c a l Technicology of Money is the newest (the "modern") scientific development in the Genealogy of Money, a development corresponding to the high sociological development of civilized life and to the practical needs of the Hour and of all the Furture!

Money doubtless is a R u l e r! A Ruler of hearts and of minds! In the "Dynasty of Money", if we are allowed to say so, we have had all kinds of different rulers: Money the Good, Money the Smart, Money the Incapable etc. Nowadays "Money the I n s a n e" is ruling; following the revolutionary trend of the latest past, we herewith openly and publicly Summon all its subjects: "We want a Successor! Long live King Money the W i s e!"

(b) The Economical Standpoint.

The fear, that the industries of countries of l o w valutas would be damaged by the putting into force of the present plan, is unjustified; for the countries of h i g h valutas, at present overflooded with merchandises from the countries of l o w valutas, will protect themselves anyhow and somehow against such invasion, and the countries of l o w valutas have no means of preventing them from doing so.

On the other hand the position of the countries of h i g h valutas will not be bettered by such protection! Such protection certainly will increase the possibility of domestic production; but is will not increase the possibility of domestic (or foreign) consumption!

For prices would be higher than ever before, and further

reduction of the "standard of living" and further unemployement would be the result in the countries of h i g h valutas.

The countries of l o w valutas, however, would be ruined (losing entirely the possibility to produce) and the countries o f h i g h valutas would follow, but, of course, some few years later!

This general throat-cutting would be of no use to anybody — with the exception of the Devil! The entire mental confusion of the present, which is a Babylonical one. when viewed by the science of Sociology, is due to an *illogical* overestimation of the currency-basis-material GOLD! Gold certainly has a financial value; fut first of all gold is a sociological chip! The shortest formula, to frame the solution of the world's problem thus is: "R e t a i n t h e v a l u e , b u t g i v e b a c k t h e c h i p s !"

The restoration of such u n i v e r s a l s o c i o l o g i c a l order, set forth in the present memoir, is the *only* way to increase again the consuming-power everywhere!

By the execution of this present plan to restore universal sociological order some displacement in regard to exports and imports may take place; but, as a whole, they will be salutary to all; it should not be overlooked that every "Business Man" will have n e w possibilities in consequence of the increase of the consuming power, domestic as well as foreign possibilities! The "Tired Business Man" will retire!

A l l d e p e n d s o n t h e i n c r e a s e o f t h e C o n s u m i n g p o w e r ! The n a t i o n a l Consuming power is the first thing; the i n t e r n a t i o n a l consuming power will follow of itself under the assistance of the well-known methods of protective tariff or free trade, which methods, then, will be again effective!

It is impossible, however, to expect an economical bettering, i. e. an increase of the sociological consuming power, as long as a species of "Money"exists, which *in itself* is a "Destroyer of values".

(c) The political Standpoint.

In case the states rich in gold should not fully recognize the sociological laws of the present deluge the outcome probably might be: The balance of the states might clear and clean the war-debts among themselves, and start a new future with the aid of non-metallic, or actually non-metallic, currency-systems. After the Clearing and the Cleaning those states will be in the position i. e. able — from a bookkeepers standpoint — to become bankrupt; for a bankrupcy-balance is a balance of v a l u e s , and as long as there does not exist

a constant money-unit it is impossible to impartially measure the assets and debits of a state; even a state-bankrupcy is impossible so long as the present insane state of money prevails. — After restoration of money-technical order a dozen European state-bankrupcies (in order to force the American Creditor to cancel the war debts) might prove to be a l i f e - n e c e s s i t y for old Europe! Life-necessity might even lead, in the course of events, to further wars, as the sociological history of mankind has shown. The way to restore universal order by m e n t a l understandig, advocated here, certainly can claim to be a short, a business-like, and a Christian way!

(d) The Financial Standpoint.

Concerning the profits, they will be larger, than the usual financial fruits of interests and annuities; but, first of all, a general understanding among the financiers seems to be needed, which general understanding we might summarize up here thus: "The Dollar of to-day is mentally as systemless as the Mark or the Rubel; and the presence of gold does not change this fact!"

Closing words.

Practical suggestion: In concreto the writer begs to suggest, that from the side of the winners, as well as from the side of the losers, as well even from the side of the neutrals this plan might be adopted, and that *at all events* a practical step in the direction of an improvement might be made everywhere by establishing everywhere first of all a Currency Ministry !!!

The plan will be sent to all Prime Ministers of the world.

It may be, likewise, permitted here modestly to suggest that the Paris Conference and the Hague Conference request such establishing from all governments concerned.

The executive national work to be done by these Currency Ministries as has been set forth here, is of the most important urguency; for a bad harvest added to the sociological chaos existing might cause general starvation like in Russia! Time is pressing!

Whereas the entire "World's Clearing" has proved to be, up to 90% a national affair, to be *w o r k e d* and not to be talked out by special national Ministries, there is not much place for international rivality. Only the one rivality seems to come into consideration: "Which state is going to do the best and the quickest mental work?" T h e b i t t e r s o c i o l o g i c a l n e e d o f t h e w o r l d c r i e s a l o u d f o r a

solution, for *that* solution, which is of complete mental correctness.

No other solution will -truly- help and a mental patch-work would be of no use, would not last, and might even do very serious harm! For: Time is pressing!

Finally the writer begs to be permitted to state the follo-wing: Whereas the scientific domain, in which the present World's Winding-up Plan was found, namely the domain of the Sociological Technicology of **Money**, is a new domain of science, — whereas ,secondly, other experts in that new science do not exist, as far as the writer knows, neither national offices dealing with this new and special science —

The decision, whether this present plan shall be considered the true plan to wind-up things and shall therefore be put into execution, can only be pronounced by the Statesmen including the Masters of Finance, to which the future of mankind is *entrusted* in the singular sociological deluge of present times. And this Personal Decision: "No or Yes" cannot be backed up by the regular reports of special experts. ***For regular experts of a sociological deluge do not exist.***

The author has reserved himself all rights in regard to his life work, especially the right to apply it. Whereas he has worked up to now for work's sake in the interest of all humanity and because the grand problem attracted him with irresistible force, he is willing to render further services, like-wise, free of charge: He is willing to help to execute the pre-sent plan, -believing that the interest of an exacte execution might require the assistance of the original author, and that a good and exacte execution would be guaranteed in that case, — and to find the recompensation of his work in a modest percentage of the profits the national treasuries and the inter-national financiers will make by the execution of this present sociological plan to wind-up things, to clear the world and to clean the table.

Review:

This plan does not change the "values existing"; neither the values bodily seizeable, for instance, houses, land, machi-nery, goldbricks, nor the values consisting in abstract possi-bilities, for instance the bodily possibility of human labour!

This plan will change, by its execution, the sociologi-cal possibility to move, to direct, to exchange, to realize, those values, shortly: To turn all economical, financial and political energies into account! This plan will better enormously the possibility to turn them into account and thus will lay the foundation stone of even a higher activity in regard to profitable developments and social meliorations, than ever existed in pre-war times. For the currency-systems of the world will be of higher sociologi-cal development, i. e. of higher mental correctness, than ever before! Thus the values destroyed by the World's War soon will be recreated again by human labour. First of all, this plan removes the tetanus, weighing down, nowadays, all na-tional and thus all international economical life!

The "wealth of nations" will not be changed. Not even the wealth represented by book-accounts. They nowadays losing their sociological sense progressively, need a simple winding-up by new and scientific methods of book-keeping, in order to "squeeze out the standardless inflation" and fur-thermore need a recreating of a money-unit, which is a stan-dard and thus enables us again to measure the fluctuant economical game of supply and demand with machinery-like impartiality.

Nobody is going to lose one Farthing neither by the inner national exchange of gold-grammes in countries rich in gold against goldless money-signs and, then, by internationally pushing off some gold to states too poor in gold as a gratui-tous currency-help, — nor by the national guiding-over movement from disorder into order, which movement removes the instability of the valutas. All present prices — nowadays expressed in measurements, which fluctuate nationally and thus internationally — will be expressed, by the execution of this present plan, in measurements which are again standari-zed nationally and therewith stabilized internationally! The national deterioration of money and the international in-stability of the valutas are both external features of the same sickness, which is a MENTAL sickness and under which the "Ruler of this World" MONEY, is suffering.

We do not advocate — let it be well understood — a "double-currency"!

The non-metallic money-signs, mainly for the inland traffic, are of the same goldgramm-value as the metallic statebank-goldgramm-certificates, mainly for the external traffic; for the non-metallic money-signs shall be covered not only fully, but plurally fully by values expressible in gold-

grammes. (Details on pages 16 and 17 of "Something wrong") Thus the position of both f o r m s of the same mental money-unit to each other is the same as between chips and coins at any club: They are i d e n t i c a l for all practical purposes!

The difference between Nominalism and Metallism is not the same as the difference between a metallic and a non-metallic execution of the standard-model of a currency-system! Compare Cash-and Giral-transactions! They are identical for all practical purposes: Giral transactions move concrete private values of the individual from account to account, without taking up the aid of the abstract sociological chips of the state. —

The concrete (bodily) state-money-sign is the abstract i. e. means to measure; the abstract private-book-account is the concrete (i. e. economical power of the individual).

Some finanicers expressed the opinion to the writer — about a year ago — that the work of the writer would not be needed, because "the valutas would stabilize themselves". Such an automatical stabilisation — indeed — theoretically is possible; but it would not mean an automatical abolishing of the present world's crisis, but something else: Such automatical stabilisation of the valutas then will be the case, when all currency-systems will have reached an equal mental rottenness, i. e. when they have reached the state to be an equal hindrance to all national economical life. The judicious bankers would not be very satisfied with such an "automatical stabilisation of the valutas".

The present crisis will not settle by itself! A positive deed of sociological statesmanship, comparable to the deed of Solon, based upon a complete mental mastering of the World's Sociological Deluge, is needed!

The work of mastering the Sociological Deluge of present times is, obviously, not of a national or of an international, but of a SUPRA-national character.

Special prints have been submitted to

His Holiness the Pope Pius XI.

His Excellency, the President of the League of Nations, Monsieur Paul Hymans.

His Excellency, the President of the United States of America, Mr. Harding, and to Their Excellencies the American Ambassadors at Berlin, Paris and Rome.

The Honourable, the British Prime Minister, Mr. Lloyd George.

His Excellency, the French Prime Minister, Monsieur Raimond Poincaré.

His Excellency, the Italian Prime Minister, Signore de Facta.

His Excellency the German Reichskanzler, Herrn Dr. Wirth.

The Secretary of the United States Department of Commerce, Mr. Hoover.

The Right Honourable, Sir F. A. Bingham K. C. M. G., C. B. Reparation Commission, Berlin, — The Right Honourable Sir Robert Horne, Bank of England, — His Excellency, the President of the German Reichsbank, Herrn v. Havenstein.

Mr. J. P. Morgan — The President of the Netherland Bank, Mynheer Dr. Vissering — Mr. Vanderlip — The German Minister of Finances, Herrn Dr. Hermes.

The author most respectfully begs to express his thanks for the kind letters and correspondence, with which — especially since February 1922 —many of the leading personalities of the world have honoured him.

---

20 copies each have been submitted to the American, the English, the French and the German Parliaments.

---

3 copies to all Prime-Ministers of the world.

---

1 copy to about 600 newpapers of importance in all parts of the civilized world.

Time of the posting: At the end and before the end of June 1922.

The author, not knowing exactly the addresses of all personages interested in the subject, will esteem it a favour, if the memoir is passed over to all such.

Copyright 1922 by William A. Gatzen.

Published by Ante-Portas-Verlag, founded 1915.
Publishers in the Domain of the Science of Economical Philosophy.
Bank-account: Bayerische Staatsbank München.
Postscheck: Cöln 85,292.

List of memoirs published. — By the same Author:

1. Gross-München (Greater-Munic) 1916.
2. Bayerische Wasserkräfte (The economical exploitation of the Bavarian water-powers) 1917.
3. Staatliche Privatwirtschaftsräte (State-Counsellors for the development of industry and commerce).
4. Der Städtische Kleinwohnungsbau und die Einsparung seiner heutigen Mehrkosten (Municipal cottage-building and the saving of its present higher building-expenses) 1918.
5. Die Meisterung des gegenwärtigen weltwirtschaftlichen Entwicklungsprozesses (The mastering of the present economical world's-developing-process). — ENGLISH-GERMAN EDITION. —

On the Money-Problem:

6. Geldersatz (A giral substitute for state-money-signs) 1919.
7. Organische Reichsfinanzreform! (Organic reform of finance!)
8. Deutscher Staatsbankrott (Germany's State-bankrupcy) 1920.
9. Die Sanierung der Deutschen Volksrepublik (Germany's State-bankrupcy II. Part)

On the Currency-Problem:

10. Reichssanierungsplan (Financial Plan thereto) May 1920.
11. Deutschlands Rettung: Die Wiederherstellung des internationalen Geldwesens (The solution of the international currency-problem). — ENGLISH-GERMAN EDITION. —
12. Die grosse Lösung: Währung, Wirtschaft, Wiedergutmachung (The redeeming solution) February 1921

Distinctly in the domain of the "Sociological Technicology of Money":

13. Völker-Clearing (The Clearing of the Nations) November 1921.
14. Something wrong! Wat is it? (With the subtitles: World's-Clearing; The Winding-up; A sociological explanation and a money-technical SOLUTION OF THE WORLD'S PROBLEM) February 1921.
    Extract therefrom printed as a manuscript for news-papers: The Solution of the World's Problem May 1922.
15. WORLD'S WINDING-UP PLAN June 1922.

Distribution to booksellers: not by the author, but-ONLY-by Theodor Thomas, Comissionairs, Leipzig, Thalstrasse (founded 1839).

Public price 25 cents = 1 s. 3 p.
Booksellers price 15 cents = 9 p.
Special price in the case of large orders.

Printed by Rhenania-Druckerei
Bonn, June 1922.

22734

END OF
TITLE